

PREVAILED

Roll Call No. \_\_\_\_\_

FAILED

Ayes \_\_\_\_\_

WITHDRAWN

Noes \_\_\_\_\_

RULED OUT OF ORDER

## HOUSE MOTION \_\_\_\_\_

MR. SPEAKER:

I move that Engrossed Senate Bill 294 be amended to read as follows:

- 1 Page 7, between lines 11 and 12, begin a new paragraph and insert:
- 2 "SECTION 7. IC 4-33-1-1 IS AMENDED TO READ AS
- 3 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 1. This article
- 4 applies only to the following:
- 5 (1) Counties contiguous to Lake Michigan.
- 6 (2) Counties contiguous to the Ohio River.
- 7 (3) ~~Counties contiguous to Patoka Lake~~ **A county having a**
- 8 **population of more than eighteen thousand three hundred**
- 9 **(18,300) but less than eighteen thousand five hundred**
- 10 **(18,500).**
- 11 SECTION 8. IC 4-33-4-2 IS AMENDED TO READ AS FOLLOWS
- 12 [EFFECTIVE UPON PASSAGE]: Sec. 2. The commission shall adopt
- 13 rules under IC 4-22-2 for the following purposes:
- 14 (1) Administering this article.
- 15 (2) Establishing the conditions under which riverboat gambling
- 16 in Indiana may be conducted.
- 17 (3) Providing for the prevention of practices detrimental to the
- 18 public interest and providing for the best interests of riverboat
- 19 gambling.
- 20 (4) ~~With respect to riverboats that operate on Patoka Lake,~~
- 21 ~~ensuring:~~
- 22 (A) ~~the prevention of practices detrimental to the natural~~
- 23 ~~environment and scenic beauty of Patoka Lake; and~~
- 24 (B) ~~compliance by licensees and riverboat patrons with the~~

1                    requirements of ~~IC 14-26-2-5 and IC 14-28-1.~~

2                    ~~(5)~~ (4) Establishing rules concerning inspection of riverboats and  
3                    the review of the permits or licenses necessary to operate a  
4                    riverboat.

5                    ~~(6)~~ (5) Imposing penalties for noncriminal violations of this  
6                    article.

7                    SECTION 9. IC 4-33-4-3 IS AMENDED TO READ AS FOLLOWS  
8                    [EFFECTIVE UPON PASSAGE]: Sec. 3. (a) The commission shall do  
9                    the following:

10                    (1) Adopt rules that the commission determines necessary to  
11                    protect or enhance the following:

12                    (A) The credibility and integrity of gambling operations  
13                    authorized by this article.

14                    (B) The regulatory process provided in this article.

15                    ~~(C) The natural environment and scenic beauty of Patoka~~  
16                    ~~Lake.~~

17                    (2) Conduct all hearings concerning civil violations of this article.

18                    (3) Provide for the establishment and collection of license fees  
19                    and taxes imposed under this article.

20                    (4) Deposit the license fees and taxes in the state gaming account  
21                    established by IC 4-33-13.

22                    (5) Levy and collect penalties for noncriminal violations of this  
23                    article.

24                    (6) Deposit the penalties in the state gaming account established  
25                    by IC 4-33-13.

26                    (7) Be present through the commission's inspectors and agents  
27                    during the time gambling operations are conducted on a riverboat  
28                    to do the following:

29                    (A) Certify the revenue received by a riverboat.

30                    (B) Receive complaints from the public.

31                    (C) Conduct other investigations into the conduct of the  
32                    gambling games and the maintenance of the equipment that  
33                    the commission considers necessary and proper.

34                    ~~(D) With respect to riverboats that operate on Patoka Lake,~~  
35                    ~~ensure compliance with the following:~~

36                    ~~(i) IC 14-26-2-6.~~

37                    ~~(ii) IC 14-26-2-7.~~

38                    ~~(iii) IC 14-28-1.~~

39                    (8) Adopt emergency rules under IC 4-22-2-37.1 if the  
40                    commission determines that:

41                    (A) the need for a rule is so immediate and substantial that  
42                    rulemaking procedures under IC 4-22-2-13 through  
43                    IC 4-22-2-36 are inadequate to address the need; and

44                    (B) an emergency rule is likely to address the need.

45                    (b) The commission shall begin rulemaking procedures under  
46                    IC 4-22-2-13 through IC 4-22-2-36 to adopt an emergency rule adopted

under subsection (a)(8) not later than thirty (30) days after the adoption of the emergency rule under subsection (a)(8).

SECTION 10. IC 4-33-4-13 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 13. (a) After consulting with the United States Army Corps of Engineers, the commission may do the following:

(1) Determine the waterways that are navigable waterways for purposes of this article.

(2) Determine the navigable waterways that are suitable for the operation of riverboats under this article.

(b) In determining the navigable waterways on which riverboats may operate, the commission shall do the following:

(1) Obtain any required approvals from the United States Army Corps of Engineers for the operation of riverboats on those waterways.

(2) Consider the economic benefit that riverboat gambling provides to Indiana.

(3) Seek to ensure that all regions of Indiana share in the economic benefits of riverboat gambling.

~~(4) Considering IC 14-26-2-6, IC 14-26-2-7, and IC 14-28-1, conduct a feasibility study concerning:~~

~~(A) the environmental impact of the navigation and docking of riverboats upon Patoka Lake; and~~

~~(B) the impact of the navigation and docking of riverboats upon the scenic beauty of Patoka Lake.~~

SECTION 11. IC 4-33-4-15 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 15. The commission shall annually do the following:

(1) Review the patterns of wagering and wins and losses by persons on riverboat gambling operations under this article.

(2) Make recommendations to the governor and the general assembly concerning whether limits on wagering losses should be imposed.

~~(3) Examine the impact on the natural environment and scenic beauty of Patoka Lake made by the navigation and docking of riverboats.~~

SECTION 12. IC 4-33-6-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 1. (a) The commission may issue to a person a license to own one (1) riverboat subject to the numerical and geographical limitation of owner's licenses under this section and IC 4-33-4-17. However, not more than eleven (11) owner's licenses may be in effect at any time. Except as provided in subsection (b), those eleven (11) licenses are as follows:

(1) Two (2) licenses for a riverboat that operates from the largest city located in the counties described under IC 4-33-1-1(1).

(2) One (1) license for a riverboat that operates from the second

largest city located in the counties described under IC 4-33-1-1(1).

(3) One (1) license for a riverboat that operates from the third largest city located in the counties described under IC 4-33-1-1(1).

(4) One (1) license for a city located in the counties described under IC 4-33-1-1(1). This license may not be issued to a city described in subdivisions (1) through (3).

(5) A total of five (5) licenses for riverboats that operate upon the Ohio River from counties described under IC 4-33-1-1(2). The commission may not issue a license to an applicant if the issuance of the license would result in more than one (1) riverboat operating from a county described in IC 4-33-1-1(2).

(6) One (1) license for a riverboat that operates ~~upon Patoka Lake~~ from a town having a population of:

(A) more than two thousand eighty-five (2,085) but less than three thousand (3,000); or

(B) more than six hundred (600) but less than seven hundred (700);

located in a county described under IC 4-33-1-1(3).

(b) If a city described in subsection (a)(2) or (a)(3) conducts two (2) elections under section 20 of this chapter, and the voters of the city do not vote in favor of permitting riverboat gambling at either of those elections, the license assigned to that city under subsection (a)(2) or (a)(3) may be issued to any city that:

(1) does not already have a riverboat operating from the city; and

(2) is located in a county described in IC 4-33-1-1(1).

SECTION 13. IC 4-33-6-6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 6. (a) A riverboat that operates in a county described in ~~IC 4-33-1-1(1) or IC 4-33-1-1(2)~~ **IC 4-33-1-1** must:

(1) have a valid certificate of inspection from the United States Coast Guard for the carrying of at least five hundred (500) passengers; and

(2) be at least one hundred fifty (150) feet in length.

~~(b) A riverboat that operates on Patoka Lake must:~~

~~(1) have the capacity to carry at least five hundred (500) passengers;~~

~~(2) be at least one hundred fifty (150) feet in length; and~~

~~(3) meet safety standards required by the commission.~~

~~(c)~~ **(b)** This subsection applies only to a riverboat that operates on the Ohio River. A riverboat must replicate, as nearly as possible, historic Indiana steamboat passenger vessels of the nineteenth century. However, steam propulsion or overnight lodging facilities are not required under this subsection.

SECTION 14. IC 4-33-6-19 IS AMENDED TO READ AS

FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 19. (a) This section applies to:

- (1) a county contiguous to the Ohio River;
- ~~(2) a county contiguous to Patoka Lake; and~~
- ~~(3)~~ (2) a county contiguous to Lake Michigan that has a population of less than four hundred thousand (400,000).

(b) Notwithstanding any other provision of this article, the commission may not issue a license under this article to allow a riverboat to operate in the county unless the voters of the county have approved the conducting of gambling games on riverboats in the county.

(c) If the docking of a riverboat in the county is approved by an ordinance adopted under section 18 of this chapter, or if at least the number of the registered voters of the county required under IC 3-8-6-3 for a petition to place a candidate on the ballot sign a petition submitted to the circuit court clerk requesting that a local public question concerning riverboat gaming be placed on the ballot, the county election board shall place the following question on the ballot in the county during the next general election:

"Shall licenses be issued to permit riverboat gambling in \_\_\_\_ County?"

(d) A public question under this section shall be placed on the ballot in accordance with IC 3-10-9 and must be certified in accordance with IC 3-10-9-3.

(e) The clerk of the circuit court of a county holding an election under this chapter shall certify the results determined under IC 3-12-4-9 to the commission and the department of state revenue.

(f) If a public question under this section is placed on the ballot in a county and the voters of the county do not vote in favor of permitting riverboat gambling under this article, a second public question under this section may not be held in that county for at least two (2) years. If the voters of the county vote to reject riverboat gambling a second time, a third or subsequent public question under this section may not be held in that county until the general election held during the tenth year following the year that the previous public question was placed on the ballot.

SECTION 15. IC 4-33-6-19.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 19.5. (a) This section applies to a county having a population of more than eighteen thousand three hundred (18,300) but less than eighteen thousand five hundred (18,500).**

**(b) The commission may issue only one (1) license under this article to allow a riverboat to operate in one (1) of the following towns:**

- (1) A town having a population of more than two thousand**

eighty-five (2,085) but less than three thousand (3,000).

(2) A town having a population of more than six hundred (600) but less than seven hundred (700).

(c) The commission may not issue a license under this article to allow a riverboat to operate in the county unless the voters of the towns described in subsection (b) have approved gambling on riverboats in the county.

(d) If at least the number of registered voters of the county required under IC 3-8-6-3 for a petition to place a candidate on the ballot sign a petition submitted to the clerk of the circuit court requesting that a local public question concerning riverboat gaming be placed on the ballot, the county election board shall place the following question on the ballot in the towns described in subsection (b) during the next primary or general election day:

"Shall a license be issued to allow riverboat gambling in the town of \_\_\_\_\_ or the town of \_\_\_\_\_?"

(e) A special election may be held under this section if an applicant for a riverboat license under IC 4-33-6 pays in advance of the election the costs to hold the special election, as determined by the election board.

(f) A public question under this section shall be placed on the ballot in accordance with IC 3-10-9.

(g) If a public question is placed on the ballot under this section and the combined results of the voters in both towns favor allowing riverboat gambling in the county, a three (3) member site selection committee shall be formed to determine the most appropriate site in the county from which a riverboat should operate. The site selection committee must consist of three (3) members appointed in the following manner:

(1) One (1) member appointed by each of the town boards of the towns described in subsection (b).

(2) One (1) member appointed by the board of county commissioners.

The site selection committee shall select a site that is located within the corporate boundaries of one (1) of the two (2) towns described in subsection (b). A license may be issued for a riverboat to operate only from a site selected by the committee. However, a riverboat operating from a site selected under this subsection must cruise into the corporate boundaries of the town not selected by the committee.

(h) If a public question is placed on the ballot under this section and the voters of the towns do not vote in favor of allowing riverboat gambling under IC 4-33, another public question may not be held in the towns for at least two (2) years.

(i) In a special election held under this section:

(1) IC 3 applies, except as otherwise provided in this section;

1           **and**

2           **(2) at least as many precinct polling places that were used in**  
 3           **the towns described in subsection (b) during the most recent**  
 4           **town election must be used for the special election.**

5           **(j) The clerk of the circuit court of a county holding an election**  
 6           **under this section shall certify the results determined under**  
 7           **IC 3-12-4-9 to the commission and the department of state**  
 8           **revenue."**

9           Page 8, between lines 19 and 20, begin a new paragraph and insert:

10          "SECTION 8. IC 4-33-10-2.5 IS AMENDED TO READ AS  
 11          FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 2.5. (a) This  
 12          section applies only to property given after June 30, 1996.

13          (b) The definitions in IC 3-5-2 apply to this section to the extent  
 14          they do not conflict with the definitions in this article.

15          (c) As used in this section, "license" means:

- 16           (1) an owner's license issued under this article; or
- 17           (2) a supplier's license issued under this article to a supplier of
- 18           gaming supplies or equipment, including electronic gaming
- 19           equipment.

20          (d) As used in this section, "licensee" means a person who holds a  
 21          license.

22          (e) As used in this section, "officer" refers only to either of the  
 23          following:

- 24           (1) An individual listed as an officer of a corporation in the
- 25           corporation's most recent annual report.
- 26           (2) An individual who is a successor to an individual described in
- 27           subdivision (1).

28          (f) For purposes of this section, a person is considered to have an  
 29          interest in a licensee if the person satisfies any of the following:

- 30           (1) The person holds at least a one percent (1%) interest in the
- 31           licensee.
- 32           (2) The person is an officer of the licensee.
- 33           (3) The person is an officer of a person that holds at least a one
- 34           percent (1%) interest in the licensee.
- 35           (4) The person is a political action committee of the licensee.

36          (g) A licensee or a person with an interest in a licensee may not give  
 37          any property (as defined in IC 35-41-1-23) to a member of a precinct  
 38          committee to induce the member of the precinct committee to do any  
 39          act or refrain from doing any act with respect to the approval of a local  
 40          public question under IC 4-33-6-19 **or IC 4-33-6-19.5.**

41          (h) A person who knowingly or intentionally violates this section  
 42          commits a Class D felony."

43          Page 9, between lines 19 and 20, begin a new paragraph and insert:

44          "SECTION 10. IC 4-33-12-6 IS AMENDED TO READ AS  
 45          FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 6. (a) The  
 46          department shall place in the state general fund the tax revenue

collected under this chapter.

(b) ~~Except as provided by subsection (c);~~ The treasurer of state shall quarterly pay the following amounts:

(1) **Except as provided in subdivision (3)**, one dollar (\$1) of the admissions tax collected by the licensed owner for each person embarking on a riverboat during the quarter shall be paid to:

(A) the city in which the riverboat is docked, if the city:

(i) is described in IC 4-33-6-1(a)(1) through IC 4-33-6-1(a)(4) or in IC 4-33-6-1(b); or

(ii) is contiguous to the Ohio River and is the largest city in the county; and

(B) the county in which the riverboat is docked, if the riverboat is not docked in a city described in clause (A).

(2) **Except as provided in subdivision (3)**, one dollar (\$1) of the admissions tax collected by the licensed owner for each person embarking on a riverboat during the quarter shall be paid to the county in which the riverboat is docked. In the case of a county described in subdivision (1)(B), this one dollar (\$1) is in addition to the one dollar (\$1) received under subdivision (1)(B).

(3) **For a riverboat licensed to operate in a county described in IC 4-33-1-1(3):**

(A) **fifty cents (\$0.50) of the admissions tax collected by the licensed owner for each person embarking on a riverboat during the quarter shall be paid to each of the two (2) towns described in IC 4-33-6-19.5(b);**

(B) **fifty cents (\$0.50) of the admissions tax collected by the licensed owner for each person embarking on a riverboat during the quarter shall be paid to the county;**

(C) **thirty cents (\$0.30) of the admissions tax collected by the licensed owner for each person embarking on a riverboat during the quarter shall be paid to a town located in the county having a population of more than three thousand five hundred (3,500) but less than four thousand (4,000); and**

(D) **twenty cents (\$0.20) of the admissions tax collected by the licensed owner for each person embarking on a riverboat during the quarter shall be paid to a town located in the county having a population of more than two thousand (2,000) but less than two thousand eighty-five (2,085).**

**However, the total amount of the admissions tax paid to the county and the towns described in this subsection may not exceed ten million dollars (\$10,000,000) in a state fiscal year. If the total amount of admissions tax collected by a riverboat operating in the county exceeds ten million dollars (\$10,000,000) in a state fiscal year, the treasurer of state shall**



**distribute the excess to the Historic Landmarks Foundation of Indiana. Money distributed to the Historic Landmarks Foundation of Indiana under this subdivision must be used for the renovation of the West Baden Springs Hotel.**

~~(3)~~ **(4)** Ten cents (\$0.10) of the admissions tax collected by the licensed owner for each person embarking on a riverboat during the quarter shall be paid to the county convention and visitors bureau or promotion fund for the county in which the riverboat is docked.

~~(4)~~ **(5)** Fifteen cents (\$0.15) of the admissions tax collected by the licensed owner for each person embarking on a riverboat during a quarter shall be paid to the state fair commission, for use in any activity that the commission is authorized to carry out under IC 15-1.5-3.

~~(5)~~ **(6)** Ten cents (\$0.10) of the admissions tax collected by the licensed owner for each person embarking on a riverboat during the quarter shall be paid to the division of mental health. The division shall allocate at least twenty-five percent (25%) of the funds derived from the admissions tax to the prevention and treatment of compulsive gambling.

~~(6)~~ **(7)** Sixty-five cents (\$0.65) of the admissions tax collected by the licensed owner for each person embarking on a riverboat during the quarter shall be paid to the Indiana horse racing commission to be distributed as follows, in amounts determined by the Indiana horse racing commission, for the promotion and operation of horse racing in Indiana:

(A) To one (1) or more breed development funds established by the Indiana horse racing commission under IC 4-31-11-10.

(B) To a racetrack that was approved by the Indiana horse racing commission under IC 4-31. The commission may make a grant under this clause only for purses, promotions, and routine operations of the racetrack. No grants shall be made for long term capital investment or construction and no grants shall be made before the racetrack becomes operational and is offering a racing schedule.

~~(c)~~ **(c)** With respect to tax revenue collected from a riverboat that operates on Patoka Lake, the treasurer of state shall quarterly pay the following amounts:

~~(1)~~ **(1)** The counties described in IC 4-33-1-1(3) shall receive one dollar (\$1) of the admissions tax collected for each person embarking on the riverboat during the quarter. This amount shall be divided equally among the counties described in IC 4-33-1-1(3).

~~(2)~~ **(2)** The Patoka Lake development account established under IC 4-33-15 shall receive one dollar (\$1) of the admissions tax collected for each person embarking on the riverboat during the

1 quarter.

2 (3) The resource conservation and development program that:

3 (A) is established under ~~16 U.S.C. 3451 et seq.~~; and

4 (B) serves the Patoka Lake area;

5 shall receive forty cents (\$0.40) of the admissions tax collected  
6 for each person embarking on the riverboat during the quarter.

7 (4) The state general fund shall receive fifty cents (\$0.50) of the  
8 admissions tax collected for each person embarking on the  
9 riverboat during the quarter.

10 (5) The division of mental health shall receive ten cents (\$0.10)  
11 of the admissions tax collected for each person embarking on the  
12 riverboat during the quarter. The division shall allocate at least  
13 twenty-five percent (25%) of the funds derived from the  
14 admissions tax to the prevention and treatment of compulsive  
15 gambling.

16 ~~(d)~~ (c) Money paid to a unit of local government under subsection  
17 (b)(1) through (b)(2) or subsection ~~(c)(1)~~: **(b)(3)**:

18 (1) must be paid to the fiscal officer of the unit and may be  
19 deposited in the unit's general fund or riverboat fund established  
20 under IC 36-1-8-9, or both;

21 (2) may not be used to reduce the unit's maximum or actual levy  
22 under IC 6-1.1-18.5; and

23 (3) may be used for any legal or corporate purpose of the unit,  
24 including the pledge of money to bonds, leases, or other  
25 obligations under IC 5-1-14-4.

26 ~~(e)~~ (d) Money paid by the treasurer of state under subsection ~~(b)(3)~~  
27 **(b)(4)** shall be:

28 (1) deposited in:

29 (A) the county convention and visitor promotion fund; or

30 (B) the county's general fund if the county does not have a  
31 convention and visitor promotion fund; and

32 (2) used only for the tourism promotion, advertising, and  
33 economic development activities of the county and community.

34 ~~(f)~~ (e) Money received by the division of mental health under  
35 subsections ~~(b)(5)~~ and ~~(c)(5)~~: **subsection (b)(6)**:

36 (1) is annually appropriated to the division of mental health;

37 (2) shall be distributed to the division of mental health at times  
38 during each state fiscal year determined by the budget agency;  
39 and

40 (3) shall be used by the division of mental health for programs  
41 and facilities for the prevention and treatment of addictions to  
42 drugs, alcohol, and compulsive gambling, including the creation  
43 and maintenance of a toll free telephone line to provide the public  
44 with information about these addictions. The division shall  
45 allocate at least twenty-five percent (25%) of the money received  
46 to the prevention and treatment of compulsive gambling.

1       SECTION 11. IC 4-33-13-5 IS AMENDED TO READ AS  
 2       FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 5. After funds are  
 3       appropriated under section 4 of this chapter, each month the treasurer  
 4       of state shall distribute the tax revenue deposited in the state gaming  
 5       account under this chapter to the following:

6       (1) Twenty-five percent (25%) of the tax revenue remitted by  
 7       each licensed owner shall be paid:

8       (A) to the city that is designated as the home dock of the  
 9       riverboat from which the tax revenue was collected, in the case  
 10      of a city described in IC 4-33-12-6(b)(1)(A);

11      (B) in equal shares to:

12      (i) **a town having a population of more than two**  
 13      **thousand eighty-five (2,085) but less than three thousand**  
 14      **(3,000); and**

15      (ii) **a town having a population of more than six hundred**  
 16      **(600) but less than seven hundred (700);**

17      ~~in the counties county~~ described in IC 4-33-1-1(3); ~~in the case~~  
 18      ~~of a riverboat whose home dock is on Patoka Lake; or~~

19      (C) to the county that is designated as the home dock of the  
 20      riverboat from which the tax revenue was collected, in the case  
 21      of a riverboat whose home dock is not in a city described in  
 22      clause (A) or a county described in clause (B); and

23      (2) Seventy-five percent (75%) of the tax revenue remitted by  
 24      each licensed owner shall be paid to the build Indiana fund lottery  
 25      and gaming surplus account."

26      Page 15, between lines 6 and 7, begin a new paragraph and insert:

27      "SECTION 14. THE FOLLOWING ARE REPEALED  
 28      [EFFECTIVE UPON PASSAGE]: IC 4-33-4-19; IC 4-33-15."

29      Renumber all SECTIONS consecutively.

(Reference is to ESB 294 as printed April 6, 1999.)

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Representative McClain